



**STATE OF NEW JERSEY**

**Board of Public Utilities**

**Two Gateway Center**

**Newark, NJ 07102**

**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

**ENERGY**

IN THE MATTER OF THE PETITION OF PIVOTAL	)	DECISION AND ORDER
HOLDINGS, INC., D/B/A ELIZABETHTOWN GAS, FOR	)	
APPROVAL OF A FRANCHISE IN THE BOROUGH OF	)	
HAMPTON, HUNTERDON COUNTY, NEW JERSEY	)	DOCKET NO. GE09050348

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas (E'Town Gas or Company), a regulated utility subject to the jurisdiction of the Board of Public Utilities (Board), is a corporation duly organized under the laws of the State of New Jersey engaged in the business of transmission and distribution of natural and mixed gas to approximately 274,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

Over a period of approximately 10 years, E'Town Gas surveyed a number of municipalities in Hunterdon and Sussex Counties, including the Borough of Hampton (Borough) for interest in the extension of the Company's distribution system to provide gas service. Toward that end, E'Town Gas installed eight miles of 8-inch elevated pressure (55psig) gas pipeline reinforcement project interconnecting its distribution systems in the Boroughs of Milford and Flemington. The pipe was installed in the right-of-way of County Route 619 in Milford through Holland Township and the Borough of Hampton and thereafter onto County Route 610 in Kingwood Township where it becomes State Route 12. The new pipe provides increased pressures in the winter and greater system reliability for the approximate 5,000 customers in this part of the Company's service territory. It should be noted that currently, residents of the Borough do not receive natural gas service and that said residents basically heat with propane or heating oil, services that are provided from multiple distributors who operate in the area.

Subsequently, through a direct mailing, E'Town Gas sent out surveys to the residents of the Borough to determine whether there was an interest in receiving natural gas service. Of the 105 individuals who returned the survey, 88 of the respondents, of which approximately 95% are residential, indicated an interest in receiving gas service from the Company. As a result of the survey, E'Town Gas submitted a petition to the Borough on March 10, 2008, requesting the granting of a municipal franchise to permit the Company to provide gas service within the municipality.



On July 14, 2008, the Mayor and Council of the Borough, pursuant to N.J.S.A. 48:3-11, adopted Ordinance No. 3-08 which granted to E'Town Gas a municipal consent to utilize the Borough's public rights-of-way to construct, maintain and operate those facilities necessary for the provision of natural and mixed gas service within the Borough for a term of 25 years. A copy of the Ordinance is attached hereto and designated as Schedule "A." By letter dated August 11, 2008, the Company accepted and agreed to the terms and conditions of the franchise pursuant to N.J.S.A. 48:3-16, subject to the approval of this Board. A copy of the Company's acceptance letter is attached hereto and designated as Schedule "B".

On May 1, 2009, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, E'Town Gas filed a petition requesting that this Board give its approval to the consent adopted by the Borough. As required by law, and after submission of responses to Staff discovery requests on June 24, 2009, and appropriate and sufficient public notice, a hearing in this matter was held on July 22, 2009. Appearances were made on behalf of the Company, the Department of the Public Advocate's Division of Rate Counsel (Rate Counsel) and Board Staff. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

The Company anticipates that it will initially provide service to approximately 88 predominately residential customers within the Borough who will be served by full customer service centers currently located in Stewartsville and Flemington. E'Town Gas further indicated that the initiation of service and billing and payment inquiries are primarily conducted by telephone and that payments are generally made via mail, on-line or in person in Phillipsburg and Washington Townships at authorized locations and at all Western Union offices.

At hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Mark Kelly, its Commercial Account Executive who services Hunterdon, Morris and Mercer Counties. Mr. Kelly spoke generally with regard to the benefits of the Company's reinforcement project and E'Town Gas' efforts related to the marketing of service within the Borough. He indicated that it was the intent of the Company, assuming Board approval of the pending petition, to install the necessary mains and service connections in conformance with the Company's main and extension policy, Board rules, appropriate growth area policies and the terms of the Ordinance granted by the Borough in order to provide gas service to Borough residents prior to the upcoming heating season.

After a full review of the entire record, the Board HEREBY FINDS that the municipal consent, which is the subject of this matter, is necessary and proper for the public convenience and properly conserves the public interest and that the Company has the necessary experience, financial capability, capacity and facilities as well as the ability to install the appropriate infrastructure to allow it to provide safe, adequate and proper service in the Borough as well as to continue to provide adequate and appropriate service to its existing customers. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, HEREBY APPROVES the consent granted to E'Town Gas by the Borough of Hampton for the provision of gas service in the Borough as sought in the Company's petition at rates set out in the Company's current tariff which has been approved by and is on file with the Board. Said rates shall remain in effect until otherwise approved by the Board.

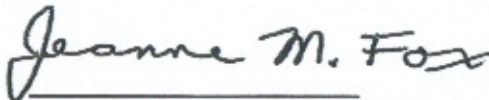
The approvals granted hereinabove shall be subject to the following provisions:

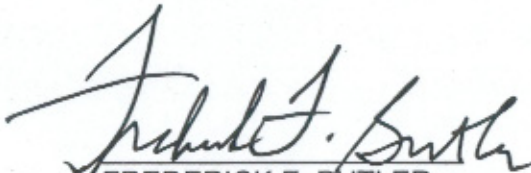


1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by E'Town Gas.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting E'Town Gas.
3. In an appropriate subsequent proceeding, E'Town Gas shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
4. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including but not limited to, cost of construction, contributions in aid of construction, depreciation on contributed plant, the cost of connection, or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.

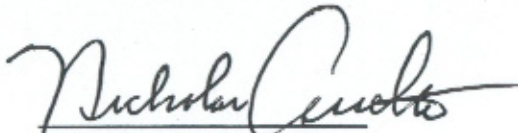
DATED: 7/29/09

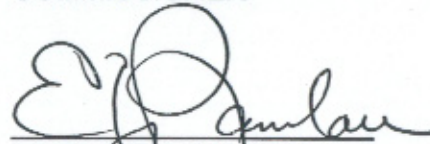
BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

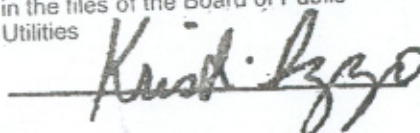
  
NICHOLAS ASSELTA  
COMMISSIONER

  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities



**I/M/O the Petition of Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas, for  
Approval of a Franchise in the Borough of Hampton, Hunterdon County, New Jersey  
BPU Docket No. GE09050348**

**SERVICE LIST**

Mary Patricia Keefe, Esq.  
Elizabethtown Gas  
300 Connell Drive, Suite 3000  
Berkeley Heights, New Jersey 07922

Jerome May, Director  
Ricky John  
Division of Energy  
Board of Public Utilities  
Two Gateway Center  
Newark, New Jersey 07102

Cynthia L.M. Holland, DAG  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, New Jersey 07101

Judith B. Appel, Esq.  
Division of Rate Counsel  
31 Clinton Street  
P.O. Box 46005  
Newark, New Jersey 07101





**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

**ENERGY**

IN THE MATTER OF THE PETITION OF PIVOTAL )  
HOLDINGS, INC., D/B/A ELIZABETHTOWN GAS, FOR )  
APPROVAL OF A FRANCHISE IN THE BOROUGH OF )  
FRENCHTOWN, HUNTERDON COUNTY, NEW JERSEY )

DECISION AND ORDER

DOCKET NO. GE09050349

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas (E'Town Gas or Company), a regulated utility subject to the jurisdiction of the Board of Public Utilities (Board), is a corporation duly organized under the laws of the State of New Jersey engaged in the business of transmission and distribution of natural and mixed gas to approximately 274,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

Over a period of approximately 10 years, E'Town Gas surveyed a number of municipalities in Hunterdon and Sussex Counties, including the Borough of Frenchtown (Borough) for interest in the extension of the Company's distribution system to provide gas service. Toward that end, E'Town Gas installed eight miles of 8-inch elevated pressure (55psig) gas pipeline reinforcement project interconnecting its distribution systems in the Boroughs of Milford and Flemington. The pipe was installed in the right-of-way of County Route 619 in Milford through Holland Township and the Borough of Frenchtown and thereafter onto County Route 610 in Kingwood Township where it becomes State Route 12. The new pipe provides increased pressures in the winter and greater system reliability for the approximate 5,000 customers in this part of the Company's service territory. It should be noted that currently, Borough residents do not receive natural gas service and that they basically heat with propane gas or heating oil, services that are provided to them by multiple distributors who operate in the area.

Subsequently, through a direct mailing, E'Town Gas sent out surveys to the residents of the Borough to determine whether there was an interest on the part of said residents in receiving natural gas service. Of the 167 residents who returned the survey, 145 respondents, who were predominantly residential, indicated an interest in receiving gas service from the Company. As a result of the survey, E'Town Gas submitted a petition the Borough on September 28, 2007, requesting the granting of a municipal franchise to permit the Company to provide gas service within the municipality. On August 18, 2008, the Mayor and Council of the Borough, pursuant to



N.J.S.A. 48:3-11, adopted Ordinance No. 656 which granted to E'Town Gas a municipal consent to utilize the Borough's public rights-of-way to construct, maintain and operate those facilities necessary for the provision of natural and mixed gas service within the Borough for a term of 10 years. A copy of the Ordinance is attached hereto and designated as Schedule "A." By letter dated March 21, 2009, the Company accepted and agreed to the terms and conditions of the franchise pursuant to N.J.S.A. 48:3-16, subject to the approval of this Board. A copy of the Company's acceptance letter is attached hereto and designated as Schedule "B."

On May 1, 2009, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, E'Town Gas filed a petition requesting that this Board give its approval to the consent adopted by the Borough. As required by law, and after submission of responses by the Company on June 24, 2009, to Staff discovery requests, and after appropriate and sufficient public notice, a hearing in this matter was held on July 22, 2009. Appearances were made on behalf of the Company, the Department of the Public Advocate's Division of Rate Counsel (Rate Counsel) and Board Staff. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

The Company anticipates that it will initially provide service to approximately 145 predominantly residential customers within the Borough who will be served by full customer service centers currently located in Stewartsville and Flemington. E'Town Gas further indicated that the initiation of service and billing and payment inquiries are primarily conducted by telephone and that payments are generally made via mail, on-line or in person in Phillipsburg and Washington Townships at authorized locations and at all Western Union offices.

At hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Mark Kelly, its Commercial Account Executive who services Hunterdon, Morris and Mercer Counties. Mr. Kelly spoke generally with regard to the benefits of the Company's reinforcement project and E'Town Gas' efforts related to the marketing of service within the Borough. He indicated that it was the intent of the Company, assuming Board approval of the pending petition, to install the necessary mains and service connections in conformance with the Company's main and extension policy, Boardrules, appropriate growth area policies and the terms of the Ordinance granted by the Borough in order to provide gas service to Borough residents prior to the upcoming heating season.

After a full review of the entire record, the Board HEREBY FINDS that the municipal consent, which is the subject of this matter, is necessary and proper for the public convenience and properly conserves the public interest and that the Company has the necessary experience, financial capability, capacity and facilities as well as the ability to install the appropriate infrastructure to allow it to provide safe, adequate and proper service in the Borough as well as to continue to provide adequate and appropriate service to its existing customers. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, HEREBY APPROVES the consent granted to E'Town Gas by the Borough of Frenchtown for the provision of gas service in the Borough as sought in the Company's petition at rates set out in the Company's current tariff which has been approved by and is on file with the Board. Said rates shall remain in effect until otherwise approved by the Board.

The approvals granted hereinabove shall be subject to the following provisions:

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by E'Town Gas.



2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting E'Town Gas.
3. In an appropriate subsequent proceeding, E'Town Gas shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
4. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including but not limited to, cost of construction, contributions in aid of construction, depreciation on contributed plant, the cost of connection, or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.

DATED: 7/29/09

BOARD OF PUBLIC UTILITIES  
BY:

*Jeanne M. Fox*

JEANNE M. FOX  
PRESIDENT

*Frederick F. Butler*  
FREDERICK F. BUTLER  
COMMISSIONER

*Joseph L. Fiordaliso*  
JOSEPH L. FIORDALISO  
COMMISSIONER

*Nicholas Asselta*  
NICHOLAS ASSELTA  
COMMISSIONER

*Elizabeth Randall*  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST: *Kristi Izzo*  
KRISTI IZZO  
SECRETARY

**I/M/O the Petition of Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas, for  
Approval of a Franchise in the Borough of Frenchtown, Hunterdon County, New Jersey  
BPU Docket No. GE09050349**

**SERVICE LIST**

Mary Patricia Keefe, Esq.  
Elizabethtown Gas  
300 Connell Drive, Suite 3000  
Berkeley Heights, New Jersey 07922

Jerome May, Director  
Ricky John  
Division of Energy  
Board of Public Utilities  
Two Gateway Center  
Newark, New Jersey 07102

Cynthia L.M. Holland, DAG  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, New Jersey 07101

Judith B. Appel, Esq.  
Division of Rate Counsel  
31 Clinton Street  
P.O. Box 46005  
Newark, New Jersey 07101